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PUBLIC MEETING
BETWEEN U.S. NUCLEAR REGULATORY COMMISSION O350 PANEL
AND FIRST ENERGY NUCLEAR OPERATING COMPANY

Meeting held on Thursday, May 13, 2004, at 3:00 p.m.
at the Ottawa County Courthouse, EOC Room, 315 Madison
Street, Port Clinton, Ohio, taken by me, Marie B. Fresch,
Registered Merit Reporter, and Notary Public in and for the
State of Ohio.

PANEL MEMBERS PRESENT:

U. S. NUCLEAR REGULATORY COMMISSION

John "Jack" Grobe,
Senior Manager, Region III Office
& Chairman, MC 0350 Panel
Dave Passehl,
Project Engineer Region III
Jack Rutkowski, NRC Resident Inspector
Anthony Mendiola,
Section Chief PDIII-2, NRR
Randal Baker, Reactor Engineer
Region III Office

FIRST ENERGY NUCLEAR OPERATING COMPANY

Mark Bezilla, Vice President
Barry Allen, Plant Manager
James J. Powers, III
Director - Nuclear Engineering
Clark Price, O350 Process Project Manager
Steve Loehlein,
Manager - Nuclear Quality Assessment

1 MR. PASSEHL: Welcome everybody
2 to today's meeting between the NRC's Davis-Besse Oversight
3 Panel and FirstEnergy Nuclear Operating Company.

4 My name is David Passehl. I'm a Project Engineer in
5 NRC Region III, and assistant to Christine Lipa, who is the
6 Branch Chief responsible for the oversight of the
7 Inspection Program for Davis-Besse.

8 Next slide, please.

9 The purposes of today's meeting is to inform the
10 public of the NRC's Oversight Panel activities; to discuss
11 the Licensee's assessment of plant performance and startup;
12 to discuss the Licensee's planned activities going forward;
13 and to receive comments and answer questions from the
14 public.

15 Next slide, please.

16 Today's agenda, following my opening remarks, we
17 will discuss NRC activities. Then, the plant personnel
18 will discuss their assessment of activities since startup
19 and they will discuss their upcoming activities. We will
20 adjourn the NRC meeting and take a break. Then, hear
21 public comments and answer questions of the NRC. And,
22 then, lastly we'll adjourn the meeting.

23 I would like to make some introductions before we
24 continue. To my left is Jack Grobe. He is the Senior
25 Manager of Region III Office in Lisle, Illinois, and he's

1 the Chairman of the Davis-Besse Oversight Panel.

2 To Jack's left is Tony Mendiola, Section Chief,
3 Project Directorate 3 in the Office of Nuclear Reactor
4 Regulation in our Headquarters offices.

5 To Tony's left is Jack Rutkowski, he's the Resident
6 Inspector at Davis-Besse.

7 And to Jack's left is Randy Baker, a Reactor
8 Engineer who works in my branch, in Christine's branch in
9 NRC Region III.

10 Mark, did you want to go ahead and introduce your
11 side, please.

12 MR. BEZILLA: Sure, thank you.

13 Mark Bezilla with FirstEnergy FENOC.

14 To my left is Clark Price and he's our 0350 Process
15 Project Manager.

16 To my right is Barry Allen, Plant Manager.

17 To his right, Steve Loehlein, Manager of Quality
18 Assessment.

19 And, to his right, Jim Powers, Director of
20 Engineering.

21 We also have a couple of individuals in the audience
22 I would like to introduce. Joe Hagan, our Senior Vice
23 President, Engineering and Technical Support; and Ralph
24 Hansen, our Vice President of Oversight.

25 Jack, just for your information, Ralph has taken

1 Fred Von Ahn's place, and Fred assumed Plant Manager duties
2 at the Perry station for us.

3 Thank you, Dave.

4 MR. PASSEHL: Thank you. Also I
5 failed to mention Jan Strasma, our Public Affairs Officer
6 is in the audience in the back.

7 Would any public officials or representatives of
8 public officials please introduce themselves at this time.

9 MR. WITT: Jere Witt, County
10 Administrator.

11 MR. PASSEHL: Okay. This
12 meeting is open to public observation, and it's a meeting
13 between the NRC and FirstEnergy. As I mentioned, we will
14 receive comments from members of the public at the
15 conclusion of the meeting.

16 There are copies of several documents on the back
17 table. We have our monthly newsletter that provides
18 background information and discusses current plan in NRC
19 activities. On the back page of the newsletter is some
20 contact information for anyone who has questions of us or
21 wants to express a point of view. We've included email
22 address and phone number for our Public Affairs Officers.

23 Also, reports of our NRC inspections and other
24 documents related to Davis-Besse are available on the NRC's
25 website. The specific web address is noted on the

1 newsletter.

2 We also have a public meeting feedback form
3 available, which we use to solicit comments on aspects of
4 the meeting that we can improve on.

5 We're having the meeting transcribed today by Marie
6 Fresch, to maintain a record of the meeting and the
7 transcription will be available on our web page in about
8 three to four weeks. And it's important that anyone who
9 comes up, speaks loudly please, so the transcriber can get
10 the information in the transcription.

11 Next slide, please.

12 This slide covers recent NRC activities. The first
13 item there is on April 22nd, we issued a Director's
14 Decision on 10CFR2.206 Petition from Green Peace and
15 others. And this involved or the NRC was requested to take
16 enforcement action against FirstEnergy and to suspend their
17 operating license and prohibit plant restart.

18 We were requested to take enforcement action for the
19 plant's failure to complete commitments in their, in a
20 response to our October 1996 5054F letter which requested
21 information on ability and the acceptability of design
22 basis information.

23 We concluded with that, that failure to meet
24 commitments in and of themselves do not result in
25 enforcement actions unless there is a failure to meet

1 regulatory requirements. In that case, then, we would
2 issue enforcement action; and we have done that in several
3 cases in the past.

4 This letter, by the way, is posted on the website as
5 well.

6 Also, the next bullet concerns April 30th Research
7 Memo updating the structural analysis of the reactor vessel
8 head at Davis-Besse. This was the result of some analyses
9 and experiments performed from our Nuclear Regulatory
10 Research Office in Headquarters, and that letter too is
11 posted on the website.

12 Key conclusion in that letter is that the NRC
13 analyses indicate that Davis-Besse would have operated
14 safely until its scheduled refueling outage in March, 2002,
15 with its old reactor vessel head, and could have
16 potentially operated for about a year beyond its shutdown
17 of February 16th of 2002.

18 The next bullet there describes or lists Public
19 Commission Meeting that was conducted on May 4th, where we
20 discussed results of the Agency Action Review Meeting.
21 Each calendar quarter, the inspectors and inspection staff
22 in the Region Office review the inspection reports and
23 performance indicators of all plants in the Region. And
24 each year at the end of the four quarters, we do a roll-up
25 assessment, and for plants that have had significant

1 performance issues, our NRC Senior Managers review the
2 results and discuss those results and we hold a public
3 meeting with the NRC Commissioners in our agencies's
4 headquarters in Rockville, Maryland.

5 The next item there, on May 5 we issued a routine
6 Resident Inspection Report 04-06 and I was going to let the
7 Resident Inspector discuss that report.

8 MR. RUTKOWSKI: Good
9 afternoon. That inspection report, among other things,
10 covered in detail the results of Augmented Inspection that
11 was conducted by the NRC.

12 On March 9th, the NRC began an Augmented Inspection
13 Program to review Licensee plant restart activities. The
14 coverage consisted of a minimum of two inspectors per
15 shift; typically one Senior Inspector and one Resident
16 Inspector; and, covered all three shifts. In total, we
17 used 30 different inspectors that were from all parts of
18 the agency.

19 The inspectors were charged with reviewing the major
20 plant evolutions from initial approach to criticality to
21 full power operation. These activities that were reviewed
22 included the initial approach to criticality, criticality
23 itself, physics testing of the reactor core, adjustments to
24 nuclear instrumentation, starting and stopping major
25 components including reactor coolant pumps and the main

1 feedwater pump, start-up and synchronization of the main
2 generator of the electrical area and main generator turbine
3 testing.

4 In addition to these observations, those inspectors,
5 including the Resident staff, performed other activities
6 associated with the Standard Reactor Oversight Procedures;
7 and these included inspections and samples in the areas of
8 fire protection, surveillance procedures, post-maintenance
9 tests, operator workarounds and emergent work activities.

10 All of the major inspection activities were
11 conducted in accordance with standard procedures, our
12 normal procedures. And, additionally, there was a special
13 inspection plan written to cover and guide the activities
14 associated with reviewing the start-up activities.

15 This plan was titled, Initial Criticality and Power
16 Ascension Team Inspection and was dated February 26th,
17 2004.

18 The overall goal of this inspection plan was to
19 verify that Davis-Besse's Operations Department ability to
20 conduct a safe startup and power ascension to one hundred
21 percent power. The key focus areas of the inspection team
22 were control room activities, conduct of preevolution
23 briefs, shift turnovers, and general communications,
24 management decision-making, support department performance,
25 and plant equipment issues.

1 Inspectors assessed the Licensee's performance
2 through direct observations of activities, interactions
3 with the Licensee's staff, review of documents, and
4 independent walkdowns of systems in the Turbine Building
5 and Aux. Building.

6 In the inspection report is documented one finding,
7 or violation of NRC requirements of minor significance;
8 and it involved the disassembly of the main feedwater
9 valve, and the Licensee's planning and control of that
10 evolution.

11 The evolution raised the potential for ejection of
12 the stem from the valve and could have initiated a plant
13 transient and also could have caused personal injury.

14 Of the other activities that were observed, there
15 were no findings of significance and no identified
16 violations of NRC requirements. Overall, as documented in
17 the inspection report, the team concluded that the Licensee
18 performance was adequate to support continued safe
19 operation of the unit.

20 More specific details are available in the
21 inspection report, which is available on the NRC Website.

22 MR. PASSEHL: Okay, the last
23 bullet there concerns Davis-Besse found that one of its
24 submittals from November 11, 1998, and this was a response
25 to Generic Letter 98-04, regarding coating deficiencies and

1 foreign material in containment. That response contained
2 material inaccuracies and omissions.

3 The NRC on May 7th issued to Davis-Besse a Severity
4 Level 3 Violation for that incomplete and inaccurate
5 information. Per our enforcement policy this is considered
6 escalated enforcement. Because the Licensee identified
7 the, this violation and comprehensively corrected the
8 violation, no civil penalty was issued.

9 Next slide, please.

10 What I want to do, I'll mention here, was that the
11 NRC has assigned inspectors to monitor four key areas.
12 These key areas as you see, Operations, Engineering, Safety
13 Culture and Corrective Actions, were areas that were
14 principle contributors to the long term shutdown of the
15 plant. The NRC has assigned Senior Inspectors to be
16 responsible to monitor performance, Davis-Besse's
17 performance in this area and coordinate inspections.

18 One of the areas we'll be looking at is the
19 requirements in the Confirmatory Order, which requires the
20 Utility to contract with independent outside organizations
21 to conduct assessments in these areas. So, our inspector
22 leads will also be monitoring performance of these
23 assessments.

24 That's all I have.

25 MR. BEZILLA: Okay. Thank you.

1 Next slide, Kevin.

2 Our Desired Outcomes for today are to demonstrate
3 that Davis-Besse operations continue to be safe and
4 conservative; would like to provide you with an overview of
5 our performance since the last public meeting; and status
6 you on our improvement initiatives and Confirmatory Order
7 activities.

8 Next slide.

9 Barry will start things off with an overview of
10 plant performance. Then Clark, Barry and Jim will discuss
11 improvement initiatives performance utilizing information
12 from some of our performance indicators and discuss our
13 upcoming independent assessments. I'll then spend a few
14 minutes to provide information and insights from a number
15 of recent assessments. And, finally, Steve will provide
16 you with his oversight perspective.

17 And with that I'll turn it over to Barry.

18 MR. ALLEN: Thank you, Mark.

19 Next slide, please, Kevin.

20 As of this morning, plant status was one hundred
21 percent power, approximately 920 megawatts. With the heat
22 and humidity this afternoon and one circ water pump out of
23 service, which I'll talk a little bit later, we're at
24 approximately 98 percent power currently, just maintaining
25 a proper margin of, commensurate throughout the weather

1 change. Also have 46 continuous days of service and the
2 station has 56 Human Performance success days.

3 Next slide.

4 In terms of recent plant performance, I'll provide
5 an overview of the highlights from the past month and there
6 will be some additional details on some of these to follow
7 through the remainder of the presentation.

8 One of the highlights for the station was that we
9 hosted the Company Nuclear Review Board at Davis-Besse.
10 This board is chaired by the Vice President of Oversight
11 with numerous external to FENOC board members. And this
12 board is there to provide a critical assessment of our
13 safety focus, our conservative decision-making, our
14 communications and alignment throughout the organization.
15 Mark will share some of the specific CNRB insights for the
16 station later in the presentation.

17 We also initiated our first monthly Safety Culture
18 Assessment at the station. That allows us to assess our
19 safety culture from an individual, plant management, and
20 also a corporate commitment perspective. As a result of
21 that assessment, assessed our safety culture as healthy
22 with improvement in some areas. And we'll cover some more
23 of the Safety Culture Assessment in greater detail later in
24 the presentation as well.

25 In the training arena, we performed an assessment of

1 our technical training programs using the format of a mock
2 INPO Accreditation Team; give us a good self-assessment of
3 our training program and validated our initiatives we had
4 laid out in the area of training.

5 Also, we initiated monthly performance reviews for
6 the station. This is where we assess our station
7 performance using our indicators which are tied to our
8 Business Plan, as well as our Operational Improvement
9 Plan.

10 Then, oversight of our Monthly Performance Review
11 Meetings is provided by the Executive Leadership Team and
12 we will provide more detail, as Mark said, on some of the
13 performance indicators throughout the presentation.

14 The photograph there on this slide is a picture of
15 our number 1 circulating water pump motor. This was taken
16 when we removed this motor from service to have it
17 overhauled, completely rewound. It would also be
18 representative of activities early this morning as we
19 received a completely refurbished motor; installed that,
20 set that this morning, and began alignment of circulating
21 water pump number 1. And we would anticipate return to
22 service of the number 1 circ water pump Saturday
23 afternoon.

24 Next slide.

25 Additional highlights from INPO, Institute of

1 Nuclear Power Operations. We recently completed a one-week
2 simulator evaluation of our operators performance and a
3 two-week station evaluation and assessment of our
4 performance. And Mark is going to spend some detailed time
5 talking about the preliminary results which INPO
6 presented to the station at their debrief.

7 Also, the Maintenance Backlog Reduction Plan is an
8 initiative that's been approved for the station, and this
9 is a commitment in terms of multi-million dollar commitment
10 to work off our maintenance backlog. We have that targeted
11 not only through 2004, but also through calendar year
12 2005.

13 There is slightly less than 2400 work orders we have
14 targeted to work off through this initiative. And the
15 initiative is set up to allow us to screen, plan, schedule,
16 and execute these work orders to resolve approximately,
17 again, 2400 work orders in our backlog.

18 This will be similar to the engineering backlog
19 effort which Jim will discuss later when he talks about
20 some of the engineering initiatives that are going on.

21 MR. GROBE: Barry, what
22 impact is the maintenance backlog having on your
23 accomplishment of preventative maintenance?

24 MR. ALLEN: Jack, right now if
25 we look at our corrective maintenance backlog, our

1 corrective maintenance backlog is 74 for today. Our goal
2 for the year is 75, so our corrective maintenance backlog
3 is in very good shape.

4 So, a lot of this is really targeted at our elective
5 maintenance backlog, which is a larger population. So, the
6 interference between resources to work preventative
7 maintenance versus corrective maintenance is really not a
8 struggle for us right now.

9 It's just more working off our elective maintenance
10 backlog and then assuring that we get our preventative
11 maintenance tasks scheduled as the appropriate windows for
12 the equipment come up.

13 MR. BEZILLA: Jack, also, as we had
14 approached restart, there was some PMs that we had
15 deferred. And as restart got deferred, those got pushed.
16 So, we do have a, I'll say, a slight bow wave of PMs.
17 We're working that off. And I believe the team has that
18 laid out for, say, the next six weeks; and I believe after
19 that, we'll be in pretty good shape.

20 So, we have a pretty good handle on that. We did
21 have a couple PMs that went overdue. That's not
22 forbidden -- I mean, that's not allowed, that's forbidden.
23 We had discussions at the Manager level and Senior
24 Leadership Team level and I believe we have that well in
25 hand now.

1 MR. ALLEN: In fact, we are
2 zero overdue preventative maintenance tasks at this time.
3 So, any tasks Mark talked about, the delay in startup
4 having to move some preventative maintenance tasks because
5 the equipment was not in service and could not perform the
6 PMs on the equipment. And all those deferrals all get
7 reviewed by Engineering and Operations before those can be
8 retargeted.

9 MR. GROBE: So, what is the
10 preventative maintenance backlog right now, roughly?

11 MR. ALLEN: Jack, that's a
12 good question. I don't have an exact number for you. I'll
13 be glad to get that and provide it to you, but I do not
14 have an exact number of those.

15 I do know that for the next 6 to 7 weeks, we have
16 all the PMs that are due in that time laid out and
17 integrated into our work schedule.

18 MR. GROBE: The data I get is
19 somewhat dated, but I think there was several hundred
20 preventative maintenance that had been deferred. And
21 you've evaluated the integrated effect of that on equipment
22 reliability; not each one individually, but also looked at
23 the integrated effect?

24 MR. BEZILLA: That's right. Jim's
25 organization, as well as Operations, takes a look at those.

1 And, in each of those deferral, Jack, looks individually,
2 but then the plant engineer, the system engineer would look
3 to make sure his system was okay, and there wasn't some,
4 I'll say, more aggregate impact or effect on those
5 preventative maintenance tasks.

6 MR. GROBE: What was your
7 expectation on missed preventative maintenance, Mark?

8 MR. BEZILLA: Well, we write
9 conditions reports. Jack, if there is something that's
10 missed, we write Condition Reports. And then, as I said,
11 we had a few that were overdue, where they had written
12 Condition Reports, and what I've told the team is that you
13 either do the preventative maintenance; you have an
14 approved deferral; you get to the end date and you don't
15 have an approved deferral, you write a Condition Report and
16 you have an immediate determination and you're either okay,
17 or you take the equipment out of service or you don't rely
18 on the equipment.

19 MR. GROBE: Okay.

20 MR. BEZILLA: I believe that's
21 been pretty well communicated.

22 Jim?

23 MR. POWERS: Yes.

24 MR. BEZILLA: Barry, I believe
25 that's been pretty well communicated through the

1 organization.

2 MR. ALLEN: That's correct.

3 MR. RUTKOWSKI: Barry, my
4 understanding, correct me if I'm wrong, it's not overdue
5 even though it's been deferred, as long as it's got a
6 deferral approved?

7 MR. ALLEN: What actually
8 happens, Jack, is if you have a due date for, for a task,
9 and if you evaluate moving that, you essentially generate a
10 new due date for that activity. So, you look at it, you
11 evaluate it from the aspects that we just talked about.
12 Then, you say, okay, we're going to retarget a new date for
13 that, based on whatever is proper for the equipment, may
14 fall into the next equipment window when that train or
15 equipment is out of service for maintenance, and then we'll
16 try to evaluate to get them back into those windows when
17 they're then in sync with our plan for taking equipment out
18 of service through our work management process.

19 MR. RUTKOWSKI: Do you have
20 multiple deferrals on the same piece of equipment before it
21 gets done for real?

22 MR. ALLEN: As long as you
23 have multiple evaluations, Jack, so you can not evaluate a
24 deferral and say I already evaluated that, I can move
25 further. You have to go back then through Operations and

1 System Engineering, because you've got the time interval
2 which would have changed and then you have again the
3 aggregate impact which may have changed, depending on the
4 time of year, system conditions, weather conditions; there
5 is a lot of things that you have to consider when you
6 evaluate those things. So, in theory, you could do that,
7 but you've got to go back through that entire process once
8 again.

9 MR. RUTKOWSKI: Thank you.

10 MR. GROBE: I was reviewing
11 some data on breakers and some of the, I'm not sure I'm
12 using the right word here, but the late PMs, were
13 preventative maintenance that you perform only once every
14 five or six years, which means you have an enormous grace
15 period, probably 7, 8, 9 months.

16 It wasn't possible for your organization to get that
17 work completed in that grace period and then they didn't
18 effectively evaluate the breaker reliability to properly
19 defer that maintenance? It just seemed like a significant
20 miss on that preventative maintenance.

21 MR. BEZILLA: Jack, I don't have
22 specifics.

23 Jim or Barry, do you have specifics on that?

24 MR. POWERS: No, I don't.

25 MR. ALLEN: I'm not sure I'm

1 familiar with the exact breakers that you're talking about,
2 Jack, but as far as the lag goes, if you have a target
3 date, again, just like you said, there is a due date for
4 the activity, and then there is a grace period before that
5 becomes overdue.

6 Now, a lot of those activities that were in post
7 restart, I mean a lot of resources dedicated to work in the
8 preventative maintenance tasks, but the delay in startup
9 did create some push of those tasks, which, you know, even
10 if we had four or five months, say, grace time, to use that
11 phrase, before it would become overdue, we may have eaten
12 up a fair amount of that just getting through restart
13 activities.

14 MR. GROBE: Okay. Just in
15 rough terms, when do you expect the Preventative
16 Maintenance Program to be back on a routine footing?

17 MR. ALLEN: We're in good
18 shape for the next 6 to 7 weeks. For the next 6 to 7 week
19 period after that, we still have some work to do. Jack, I
20 would expect in about 12 weeks, kind of give us that
21 opportunity to work through a couple of 6-week cycles
22 there, we should be in pretty good shape.

23 Another thing I believe will help us is our
24 Maintenance Backlog Reduction Plan, although it's not
25 targeted at going out and working preventative maintenance,

1 it will augment shop and team resources such that I think
2 it will allow the crafts to do a good job then of focusing
3 on preventative maintenance tasks with probably fewer
4 distractions from emergent work and trying to focus on
5 knocking the overall backlog down. That's going to allow
6 us to do a better job of focusing shop resources and not
7 having to be diverted.

8 MR. GROBE: Okay, thank you.

9 MR. BEZILLA: Let me add, I
10 didn't bring it with me. I brought a lot of stuff, but I
11 didn't bring with me. Jack, we had a Problem-Solving
12 Decision-Making Team that we put together; had Work
13 Management, had Maintenance, had Operations, had Plant
14 Engineering on there. Those guys got together, worked as a
15 team, came up with about a half dozen actions that they
16 felt were appropriate.

17 I took a look at those actions. They all looked to
18 be, I'll say, doable. And they were going to help our
19 situation from a preventative maintenance standpoint.
20 Those are being implemented now, and as Barry said, those
21 are over the next twelve-week cycle. And I think after
22 that, I think we'll be in pretty good stead.

23 I realize we have evaluated currently where we are
24 at and believe we're okay now, but we want to get the back,
25 say, the bow wave done, get the backlog down, and now we're

1 just into routine stuff.

2 MR. GROBE: Okay, thank you.

3 MR. ALLEN: Okay. Another

4 highlight for the station, an important item for us, talks

5 about the Teamwork, Ownership and Pride Team, the TOP

6 Team. This is a team that the station has initiated based

7 on employee desire and employee feedback. This provides us

8 another communications channel and forum to allow station

9 personnel to bring up issues to the senior management at

10 the station. It's a good opportunity for personnel to

11 voice concerns. Again, allow us to address little

12 precursor issues before they become significant issues for

13 people at the station.

14 One of the things that this TOP Team helps us do,

15 which I think is going to be extremely valuable, is go

16 pulse the organization after significant communications and

17 those kinds of things to ensure that messages are received

18 similar to the method we think we're communicating, so to

19 help give us some validation there, if you will, be sure we

20 have good communications and alignment.

21 And the team is made up of volunteers at the grass

22 roots level throughout the organization. So, it's a very

23 good team for us. It's a good enhancement for not only

24 alignment, but for communications.

25 Also, turbine valve testing. We recently completed

1 our first control valve and combined intercept valve
2 testing at power, for the first time since restart. And
3 all of our turbine valves behaved and responded as
4 expected.

5 Also, we recently provided the NRC notification that
6 the Ottawa County Sheriff's dispatcher did not initially
7 have the capability to activate the sirens. And we have
8 entered that in our Corrective Action process. We
9 understand the physics of what happened there in terms of
10 sirens being out of sync with the computer time, which is
11 part of the security process to ensure that sirens are
12 controlled by a time stamp, which is also part of the
13 signal to the sirens. We got that out of sync.

14 That was restored within a couple of hours. And we
15 understand technically what happened. We're still
16 performing investigation to determine whether that was
17 hardware, software or what exactly may have caused that;
18 however, we do pull the sirens daily; and they're also
19 daily now ensuring all the computer systems which interface
20 with the siren system are in sync on a daily basis to be
21 sure we maintain that capability and we can understand
22 completely and exactly what happened during that instance.

23 MR. GROBE: Barry, I
24 appreciate that you're fairly new to the site, but do you
25 know if this has happened in the past?

1 MR. ALLEN: Jack, this has not
2 happened here in the past.

3 MR. GROBE: Okay.

4 Have you evaluated what impact that will have on
5 your performance indicators for your emergency notification
6 system?

7 MR. ALLEN: No. We'll take a
8 look at that emergency preparedness. We'll take a look at
9 that and evaluate that from a performance indicator
10 perspective, but there's a, just by preliminary look, I
11 would suspect it would have an impact on that performance
12 indicator, Jack.

13 MR. GROBE: Okay.

14 MR. ALLEN: Also, in the area
15 of NRC initial license examinations, we had three reactor
16 operators and five senior reactor operators take their
17 initial license examinations recently. And we are
18 cautiously optimistic regarding their exam performance.
19 And we're ~~eagerly~~ eagerly awaiting feedback from the NRC on their
20 performance. Meanwhile, they are all standing at power
21 watches working on their qualifications.

22 MR. MENDIOLA: Is this the class
23 that was delayed or postponed for a period of time?

24 MR. ALLEN: Yes, it is, Tony.
25 This was the class that was initiated at the start of the

1 13th refueling outage. And, then, due to outage
 2 preoccupations and whatnot, this class wound up taking
 3 awhile. But they have recently completed that, and taken
 4 their initial license examinations.

5 MR. MENDIOLA: Thank you.

6 MR. GROBE: With these
 7 licenses, will that give you sufficient margin to go beyond
 8 the four-shift rotation?

9 MR. ALLEN: Jack, we're
 10 looking at taking these licensed individuals, once we
 11 receive some feedback from the NRC and they complete their
 12 at-power watches; and then we're looking at setting up a
 13 five-shift rotation.

14 MR. GROBE: Good.

15 MR. ALLEN: Next slide,
 16 Kevin.

17 In conclusion, I would like to state that
 18 Davis-Besse's operations continue to be safe and
 19 conservative.

20 With that, I'll turn the presentation over to Clark
 21 Price.

22 MR. PRICE: Okay, thank you
 23 Barry, and good afternoon.

24 We have three desired outcomes for this section of
 25 today's presentation. First, we want to provide you with

1 an update on our continuing improvement initiatives. We
2 want to review our performance in a number of performance
3 attributes that we have developed to monitor the
4 effectiveness of our improvement initiatives. And, third,
5 we want to status you on the independent assessments that
6 we are organizing to meet the requirements of the
7 Confirmatory Order.

8 Next slide.

9 As we progress through restart and transition into
10 plant operations, we developed a number of improvement
11 actions that were either designed to continue through
12 restart or were intended to commence following restart of
13 the plant.

14 These actions were identified in the November 2003
15 Integrated Restart Report, and the February 2004 supplement
16 to that report, under Appendixes A and D.

17 The following represents a status of those actions,
18 which we are tracking, as commitments to ensure our
19 compliance with the March 8th letter from the Nuclear
20 Regulatory Commission approving restart of the plant.

21 Appendix A of the Integrated Restart Report
22 contained a total of 38 commitments; and to-date, we have
23 closed 19 of those commitments. Of those 19, two were
24 actually redundant, two actions that are contained in
25 Appendix B, and we have closed those two commitments out

1 and are tracking those underneath the Cycle 14 Operational
2 Improvement Plan.

3 We currently have 29 of the 94 Appendix D actions
4 completed underneath the Cycle 14 Operational Improvement
5 Plan; however, we still have 84 remaining commitments; and
6 out of those, 30 are currently scheduled for completion
7 during the second quarter of 2004. And we are making good
8 progress towards meeting their scheduled completion dates,
9 which we monitor on a monthly basis, as Barry discussed
10 earlier.

11 And, finally, we've developed six additional
12 commitments to track the actions to meet the requirements
13 of the Confirmatory Order.

14 Next slide.

15 MR. PASSEHL: I have a
16 question. How are you documenting completion of the
17 commitments? Do you have a package that we would be able
18 to audit when we come on site or how do you have that
19 arranged?

20 MR. PRICE: Yes, as part of
21 our commitment process, we have Regulatory Commitment
22 Tracking System, and in that there is a closure package
23 that is submitted by the owner of the commitment to
24 Regulatory Affairs and then reviewed by Regulatory Affairs
25 for completeness, and validated, and all the attached

1 documentation which supports. The commitment is attached
2 to that, so that would be available for inspection.

3 As a matter of fact, we did deliver some of those to
4 Scott Thomas a couple weeks ago for review in the
5 Operations area.

6 MR. PASSEHL: Thank you.

7 MR. PRICE: Okay, as discussed
8 in prior meetings, we have developed over 40 performance
9 attributes in our Cycle 14 Operational Improvement Plan to
10 provide us with a continuous assessment of the
11 effectiveness of the improvement actions. These attributes
12 are aligned to the four safety barriers of Individual,
13 Programs, Management and Oversight. And for each
14 attribute, we have aligned performance indicators or
15 assessments to monitor the performance in those areas.

16 On April 20th, as Barry mentioned earlier, we held
17 our first monthly Operational Improvement Plan Management
18 Review Meeting. This is a monthly meeting now that we will
19 have going forward. During this meeting, which actually
20 carried into a second day, we had a thorough discussion of
21 the improvement initiatives, the action plans, and the
22 performance indicators. And through this review came some
23 changes and enhancements that we have included in Revision
24 Four of the Operational Improvement Plan, which we
25 transmitted to the NRC on May 11th.

1 We are currently updating the action plans and
2 performance indicators for April and have our next
3 Management Review Meeting this coming Tuesday. We continue
4 to refine some of the performance indicators to improve
5 their effectiveness.

6 We have chosen several performance attributes to
7 report on today and we have organized them for discussion
8 today under the four assessment areas identified in the
9 Confirmatory Order.

10 The first area is Operations, and I'll turn it over
11 to Barry Allen to discuss the selected attributes in that
12 area.

13 MR. GROBE: Barry, before you
14 go on. Mark, we just recently received, what's it called,
15 the Post Restart Commitments, March 2004 review. And, like
16 I said, we just recently received that. Does this form the
17 basis or part of the basis for these meetings that you're
18 having monthly?

19 MR. PRICE: That is actually
20 the agenda for the meetings. And we go through the
21 performance indicators. The first time through we went
22 through nearly all of them, especially the ones that were
23 near term coming due.

24 Going forward, we'll address them in a different
25 fashion, primarily looking for any that are needing help in

1 meeting their due dates.

2 MR. GROBE: So, you produce
3 this report in preparation for that meeting?

4 MR. PRICE: Yes, we do, and we
5 actually finalize it, I would say, in the meeting with that
6 management review and then we publish it.

7 MR. GROBE: Would it be
8 possible to get this on a bit more timely basis? If you
9 finalize it following this meeting, then maybe get the
10 April one, sometime in maybe the third week of May or
11 fourth week of May, instead of -- the date is a bit dated.

12 MR. PRICE: Our objective will
13 be to basically issue the final one within a week of the
14 actual meeting.

15 MR. GROBE: That would be
16 great, thank you.

17 MR. ALLEN: Okay, from an
18 Operations perspective, I would like to spend a little bit
19 of time talking about from a large operational perspective
20 at the station.

21 One positive trend at the station is our consecutive
22 Human Performance success days, which I mentioned earlier
23 currently stands at 56. One thing I would like to mention,
24 however, is that we do recognize we need sustained good
25 performance in order to increase our rolling twelve month

1 average. So, we're looking at our window of success days.
2 We've got a station clock reset due to human error. We're
3 doing very well right now. We need sustained performance
4 in that area.

5 We're also pursuing additional improvement
6 opportunities to reduce the number of challenges to
7 operators. We'll briefly talk a little bit about it in the
8 area of Operations Workarounds. We currently have four
9 open Operator Workarounds. Two of the four are refuel
10 tasks, and the other two that are open are also added to
11 the list in April.

12 So, we're having some turnover in this area, which
13 is good. From March to April our total remained at four,
14 however, we worked off two items and added two new items.

15 In the area of Control Room Deficiencies, we also
16 currently have four open, Control Room Deficiencies and
17 again similar to the discussion on Operator Workarounds, we
18 went from five to four between March and April. And that
19 was a reflection of we worked off three and then added two
20 new ones. So, getting good turnover there.

21 MR. GROBE: Barry, on the
22 Operator Workarounds -- in fact, Jan, can you hear okay?
23 Okay, good, thank you.

24 These ones that are refueled workarounds, these
25 require modification of equipment?

1 MR. ALLEN: They require the,
2 these require modification or isolation of equipment which
3 is not attainable at power. So, one is on decay heat pump
4 suction, which we can not get to it and the other is like
5 main feed pump turning gear, which we actually don't need
6 that until we get in an outage, and that's on an outage
7 list there. We'll take care of that during an outage just
8 to keep the main feed pump turbine on gear when it's not in
9 service.

10 MR. GROBE: Do you have
11 maintenance planning in place if you have an unplanned
12 outage, to target critical work activities?

13 MR. ALLEN: Yes, Jack, we have
14 what we call like a forced outage list. So, we track those
15 and plan those and we'll put those on a list. And we
16 refresh that list periodically. Then we share that with
17 our duty team, which rotates around the clock. So, to keep
18 the organization refreshing in our mind what we have on
19 those lists of activities to consider, depending on if we
20 had a forced outage in what mode we would be in.

21 MR. GROBE: Okay. Thank you.

22 MR. ALLEN: Thank you.

23 Next slide, please.

24 Then we'll turn it over to Jim Powers and let Jim
25 discuss Engineering.

1 MR. GROBE: Barry, before we
2 go on. Mark, I know there is a slide back here in your
3 presentation on the, the Company Nuclear Review Board.
4 Would it be better to wait until then, or would it be
5 better to ask each of these individuals as they're talking
6 about their area to find out what insights the CNRB had in
7 the various areas?

8 MR. BEZILLA: Why don't you
9 wait, Jack. Let me go through my presentation and if you
10 have additional questions, we can answer those for you. We
11 brought the detail in case we get into the detail.

12 MR. GROBE: Great.

13 MR. BEZILLA: We tried to pick
14 the highlights and things we thought would be most
15 appropriate, but I think it would be better to wait, if
16 that's okay.

17 MR. GROBE: Okay, thank you.

18 MR. POWERS: Okay. Thank you,
19 Barry.

20 I would like to talk about the Engineering
21 performance attributes since the time of our last meeting.
22 First, I wanted to talk about in a positive area, is the
23 quality of engineering products. Our Engineering
24 Assessment Board continues to review engineering products
25 for quality.

1 Some of the changes that we've made during the
2 course of the outage included more focus on the quality of
3 calculations, and developing specific attribute checklists
4 for the review of calculations and also procedurally
5 sending each calculation through our Engineering Assessment
6 Board so it got checked out. So, we have a consistent
7 review.

8 We're also looking at Corrective Action documents,
9 now our significant root cause and apparent cause
10 investigations in the Corrective Action Program,
11 modifications as they have been throughout the outage. And
12 we're finding the quality is improving in the engineering
13 area.

14 Our current three month trend is at a score of .7.
15 And, what we did subsequent to restart, we raised the bar
16 on our scoring requirement for the engineers. This is a
17 score that the lower it is, the better. You could think of
18 it in terms of how many comments do you get on the
19 products, so they want a low score.

20 At restart we had an allowance of one was a green
21 indicator. Now it's .5. And our current three month trend
22 is .7. So, we're in the white performance. And our trend
23 is good in terms of our quality. That's because we're
24 getting feedback from the Engineering Assessment Board to
25 the engineers and the supervisors are providing the

1 coaching on the findings of the EAB on the engineers
2 products.

3 Another area --

4 MR. GROBE: Jim.

5 MR. POWERS: Yes?

6 MR. GROBE: Recently, I think

7 you had some turnover on the engineering board?

8 MR. POWERS: Yes, we did. One

9 of our members, our chairman left us to pursue other

10 requirements of his life, personal life, which is a loss

11 for us, but we've got budget authorization to bring another

12 individual from the outside and to continue that external

13 perspective. And we expect that new member to come on

14 board in the next several months once his current

15 assignment is completed. He's currently working at another

16 nuclear facility.

17 But we also have maintained the continuity of the

18 other individuals on the board, both an employee, long-term

19 employee member of the board, as well as other contract

20 members.

21 MR. GROBE: Are you able at

22 this time to tell us who that new person is or is that

23 needed to be kept confidential at this point?

24 MR. POWERS: No, I don't think

25 it needs to be kept confidential. The member's name is

1 Marty Farber. And he's, he's done quite a bit of work,
2 inspection work for your agency throughout the industry.
3 Did inspection work at the facility in the Corrective
4 Action Program area, as well as we did our Containment
5 Integrated Leak Rate Test; he was one of the primary
6 inspectors there.

7 He's got good insights on areas of our weaknesses,
8 and so we think bringing him in we'll get an intrusive
9 external look at us. So, I'm looking forward to it. I
10 think Marty is going to help us improve quality. And, it
11 will be good to get a fresh pair of eyes on the board. The
12 guys that carried us through the outage did well, I
13 believe, but change is also good, to get a good
14 perspective.

15 So, that's what's in store for the Engineering
16 Assessment Board and we'll be reporting on their progress.

17 MR. GROBE: Thank you.

18 MR. MENDIOLA: Before you go on,
19 Jim, you mentioned that the performance indicator you
20 looked at was a number of comments received. Was there any
21 other assessment performed on the relative importance of
22 those comments or significance of those comments?

23 MR. POWERS: Absolutely. Yes.
24 Perhaps I over simplified by number conceptually. That's
25 why you like a low score. But the, the scoring also

1 relates to, is it something, is it a comment that needs to
2 be incorporated; is it discretionary to incorporate it; is
3 it an improvement or a must incorporate; or the document is
4 just plain wrong and you have to go back and fix it, which
5 is a score of four, for example; high score is bad. So,
6 there is a significance aspect that's built into that,
7 most definitely.

8 MR. MENDIOLA: What kind of trend
9 are you seeing there?

10 MR. POWERS: For example, the,
11 there was six documents in the last month that got two.
12 So, it means that the comment needs to be incorporated, but
13 it's an improvement in the document. So, we're not seeing
14 a lot of very high scores where it's just a miss in terms
15 of the engineering quality.

16 MR. MENDIOLA: Okay. Thank you.

17 MR. POWERS: One of the other
18 areas is fuel reliability. And we're entering our 47th day
19 of operation, and the fuel reliability looks very good.
20 The core designers, reactor engineers monitor the Reactor
21 Coolant System looking for any signs that the, that the
22 fuel might have any, any defects or, or small leaks. And
23 they see none. And that's very good for us.

24 You know, we did a lot of work during the outage.
25 We removed all of the fuel from the reactor vessel, took it

1 over to the spent fuel pool, inspected it. We also did
2 some improvements to it to structurally harden it, make it
3 more robust.

4 And we also then removed what we call the core
5 barrel from the core. So, we completely took out all the
6 internals in the core that support the fuel and then vacuum
7 cleaned the entire vessel down through the bottom of the
8 vessel to make sure there was no debris in there. That's
9 rather unusual in the industry to go to that extent to
10 completely remove the internals from the reactor vessel and
11 clean it.

12 So, I think that that effort is now paying off some
13 dividends and we're seeing good fuel reliability entering
14 into the cycle here, and that's something that we track at
15 the plant every day and we'll continue to. But things look
16 pretty good there so far.

17 Opportunities for improvement, we talked about the
18 backlog reduction effort in engineering similar to the
19 Maintenance Improvement Plan. We put together an
20 engineering work plan in December, and presented that to
21 our Restart Oversight Panel. And we're carrying through
22 with that work plan now.

23 We've laid out our work plan in system windows, as
24 we refer to them. We have a number of items to work on,
25 and we want to prioritize them in the right order, make

1 sure all the engineers are aligned to work on the most
2 safety significant things first.

3 So, we've laid out in a system order which systems
4 we're going to work on. We put teams together, 10 to 12
5 engineers on a team. We started out with our Aux.
6 Feedwater System. We got into the 480 Volt Electrical
7 Distribution System. And now the Reactor Coolant System is
8 also ongoing this week and we'll be heading into our
9 Service Water System next week.

10 Those are some of the systems that we've talked
11 about over the course of the outage that we did latent
12 issue reviews on. They're safety significant, they're risk
13 significant to the plant. We've got an orderly review
14 process now that's bearing fruit. We're seeing a good
15 reduction in the number of items that engineering is
16 working on.

17 We entered the year with 7,600 items or activities
18 for engineering to work on and disposition. Everything
19 from drawing updates, procedure changes, to Condition
20 Report investigations and Corrective Actions that had been
21 categorized by our Restart Station Review Board as a
22 post-restart activity.

23 Started out with 7,600. We are down to about 6,300
24 since that time. And we're on a work-off rate that should
25 follow our plan, and get us down to normal work levels

1 through the course of this operating cycle. So, that's
2 over two years, which was the duration of our plan.

3 And things are working out satisfactorily so far,
4 but it's a challenge to maintain on track there and keep
5 that work productivity rate going. So far we're looking
6 good.

7 One of the other items I've got listed is the number
8 of Maintenance Rule A-1 Systems, which is currently 11.
9 The desire would be to reduce that. We would like to have
10 none. Each one of those systems has plans in place.
11 They're -- ten out of the eleven are in a monitoring mode;
12 what we refer to as monitoring. Changes have been made,
13 plans are in place for improvement, and now we're tracking
14 and monitoring to be sure we're effective.

15 One needs a change, it's going to be presented to
16 the Plant Health Committee tomorrow. That's a freeze
17 protection system. So, we've got plans. Those plans also
18 relate to our backlog reduction effort, because it's all
19 engineering activities. And so, they're linked together,
20 as we follow through with our backlog reduction effort that
21 will also reduce our number of Maintenance Rule A-1
22 Systems.

23 And one more important point here, following up from
24 Barry's discussion on the Maintenance Improvement Plan; our
25 two improvement plans are really linked in that the

1 engineers go through, they do assessments on improvement to
2 the plant and equipment, people and processes. Then, we
3 carry those through into Maintenance when it's an equipment
4 change, upgrade on how we maintain the equipment. Then we
5 go into the Maintenance Improvement Plan area.

6 And how we do that linkage and prioritize is through
7 a Plant Health Committee that's in place. Its members
8 include, the Chairman is the Operations Manager, Kevin
9 Ostrowski; and our Plant Engineering Manager, Brian Boles,
10 is a major contributor; as well as the Design Engineering
11 Manager, John Grabner; our Work Control Manager, Bill
12 Mugge, also sit on it.

13 So, the issues are brought before that committee for
14 prioritization of backlog, and working it off in the proper
15 order, so we improve our system health in an ordinarily
16 fashion and in accordance with the risk ranking of the
17 systems.

18 Those are the few topics I wanted to touch on in
19 Engineering.

20 Any questions?

21 MR. GROBE: I have a question
22 regarding preventative maintenance.

23 MR. POWERS: Okay.

24 MR. GROBE: Currently, I think
25 you have five systems that your System Health or Plant

1 Health Committee has put in the red category; auxiliary
2 feedwater, 480 volt AC power, Reactor Coolant System,
3 freeze protection, and containment gas monitoring.

4 How does that red rating in System Health influence
5 your consideration of deferral of PMs?

6 MR. POWERS: Well, the, each PM
7 is evaluated, as Barry described, relative to its
8 contribution to the system health. They go through both
9 the Engineering, System Engineer and Operations. Some are
10 more important than others. For example, there may be
11 activities, such as changing the oil in a pump, and the
12 history on the oil change frequency may be every six
13 months, let's say, is that the oil test results show it's
14 in pretty good condition. And the engineers would evaluate
15 and say, "How important is that that we do it at six
16 months? Can it be retargeted by some amount of time?" And
17 if the technical review says, yes, then it can be done.

18 But there are other cases where the engineers reject
19 them, and say, no, we can not defer it. That's based on
20 their system knowledge, the contribution of the
21 preventative maintenance to the health of the system. And
22 they're the ones that rate the system and its color. So,
23 they're the closest to it in providing those, those
24 dispositions.

25 MR. GROBE: Okay.

1 MR. ALLEN: Jack, I'd like to
2 talk about the Corrective Action Program, from a Condition
3 Report self-identification rate. We continue to be pleased
4 with our self-identification rate and our employees
5 willingness to use our Corrective Action Program. We've
6 maintained that rate up near --
7 (microphone adjustment)

8 MR. ALLEN: We remain pleased
9 with our Condition Report self-identification rate and our
10 employee willingness to use our Corrective Action Program.
11 We maintain a high rate and close to 90 percent
12 self-identification even with a great deal of external
13 assessment.

14 We also use less traditional forms, I talked about
15 earlier, such as Teamwork, Ownership and Pride and 4-C
16 Meetings, and Town Hall Meetings and other ~~forms~~ forums to
17 identify issues and encourage employees to self identify
18 issues.

19 Apparent Cause Evaluation Quality is something we
20 have spent a great deal of station effort on. We have
21 utilized a systematic approach to training, approach to
22 train our folks to perform apparent cause evaluations; and
23 we're utilizing that same systematic approach to training
24 to train CR evaluators, and ~~and~~ CARB members to ensure we have
25 the proper rigor applied to the Condition Report process

1 and apparent cause evaluations. We've got some very
2 positive feedback on the rigor that we've utilized on that
3 process when the INPO team was here.

4 So, the opportunity areas for improvement that we're
5 focusing on; again, individual error rate, I talked about
6 the Human Performance earlier. Our individual error rate
7 continues to meet our targets. So, we're in the green band
8 on that; however, we do recognize that focusing on
9 eliminating human errors does prevent events; and so,
10 therefore, that continues to be a focus area for the
11 station.

12 For the Corrective Action Program, again, that's a
13 very key program for the station. So, we're focusing on
14 continual improvement there. We're driving management
15 ownership of issues. We're also focusing on our backlog
16 reduction and timeliness in the Corrective Action Program.
17 That thread ties back to not only Jim's efforts in
18 engineering, but also through the maintenance efforts. And
19 the focus is to ensure we maintain the right safety focus
20 on Corrective Actions and then to resolve those issues
21 commensurate with their safety.

22 MR. GROBE: Barry, you made a
23 comment regarding INPO feedback that it was positive. Was
24 that feedback on the quality of the training you're
25 providing or the quality of the products the apparent cause

1 evaluators were producing.

2 MR. ALLEN: Jack, actually
3 both; the rigor and structure, and we got additional
4 insights from them. Mark may want to go into that a little
5 more. But what they said was; looking in the arena of
6 apparent cause evaluations, that our process and approach
7 to setting up the training and then running personnel from
8 a limited population basis through that training and then
9 seeing the change in the product that those people
10 provided; they saw that as a worthy recognition.

11 Preliminary is a beneficial primus, because they saw
12 it as something in terms of performance better than they
13 typically seen throughout the industry. So, we got some
14 very positive feedback on the rigor, the process we used,
15 and then the results as an output of that effort.

16 MR. GROBE: The data I have
17 goes through the end of March, but it shows that in January
18 and February, your evaluation of your performance in this
19 area was that you were red in colors, and then in March it
20 was green, which is a fairly significant improvement. Has
21 that been sustained through April?

22 MR. ALLEN: Which indicator
23 are you looking at?

24 MR. GROBE: That is the
25 apparent cause quality indicator.

1 MR. ALLEN: Oh, yes, yes.
 2 MR. GROBE: That's good, thank
 3 you.
 4 MR. ALLEN: Any other
 5 questions or comments on that?
 6 MR. GROBE: Yes. Question
 7 regarding the Corrective Action Program performance
 8 indicator. It's kind of a roll up indicator which
 9 considers quality, effectiveness, and timeliness. It's
 10 kind of a complicated indicator to develop.
 11 There is one aspect of the indicator that I'm
 12 curious about, because it seems to bounce around; that is
 13 the effectiveness indicator. I think if I understand the
 14 threshold for red in that area, it's if you have one
 15 significant root cause recurrence. And, then if the
 16 following month you have no significant root cause
 17 occurrence, then it's green.
 18 It seems to -- I'm not sure that you actually are
 19 red one month and green the next. I'm just wondering what
 20 your thoughts are on that indicator?
 21 MR. ALLEN: It is somewhat of
 22 an empirical indicator. It is only part of the overall,
 23 it's only one third of that, Jack. You have quality, you
 24 have effectiveness, and you have timeliness. So, the way
 25 the metrix was designed, you're either effective or you're

1 not for that month. So, if you're ineffective, that
2 portion may be red for that one third of the input to that
3 indicator. So, it's to ensure that you have some, so the
4 overall roll up indicator has some sensitivity to that.
5 So, it's sort of a bi-stable type input, that's correct.

6 MR. GROBE: It would generate
7 a Chicken Little when you have the one problem; and a
8 ~~wee~~ "yippee", no problems when you don't. And it just seems to be
9 not terribly --

10 MR. ALLEN: It does one thing
11 for us, though, Jack. If we do have a repeat occurrence
12 for significant root cause type issue --

13 MR. GROBE: It brings
14 attention.

15 MR. ALLEN: -- it makes it
16 red; that makes it very visible. So, when we go through
17 our own assessments, and then we get like in the monthly
18 Performance Review Meetings when we present our monthly
19 data to the Executive Leadership Team, it ensures that that
20 portion of that indicator stands out. All right.

21 So, it has a lot of visibility; gets the proper
22 highlight, the proper focus. And I think that's probably
23 the real value of the indicator, probably more so than the
24 color. Just ensures that it's visible; we give it the
25 proper attention commensurate with its significance; and

1 then we have the proper discussions on what Corrective
2 Actions were taken relative to that outage.

3 MR. BEZILLA: Jack, we also from a
4 fleet perspective, we continue to try to improve these
5 indicators; and we're trying to smooth some of these out so
6 we don't have that, but we haven't figured that one out
7 yet. Okay?

8 MR. GROBE: It's a
9 challenge. You don't want to under-react, but you also
10 don't want to have the indicator give you false positives
11 or false indicators of improvement when you really haven't
12 had time to do any improvement yet.

13 MR. ALLEN: Correct.

14 MR. GROBE: Okay.

15 MR. ALLEN: With that, I'll
16 turn it back to Clark.

17 MR. PRICE: Thanks, Barry.

18 Okay. The fourth area is Safety Culture. We have
19 identified some positive areas and also some opportunities
20 for improvement in Safety Culture.

21 Mark Bezilla will be discussing our recent Safety
22 Culture Assessment results in a few minutes, so I won't
23 discuss that one any further, but the first one I would
24 like to discuss is Employee Concerns Program.

25 This is an attribute that we've identified or

1 designed to identify employee satisfaction with the
2 Employee Concerns Program and we are continuing to get
3 positive feedback in the satisfaction in the program.

4 This measure -- this indicator is actually measured
5 through a feedback form for users of the program. And the
6 satisfaction rate has been a hundred percent for the last
7 two quarters. So, we're very pleased with that.

8 The second attribute to discuss here is the NRC
9 Retaliation Allegation Ratio. This performance indicator
10 provides a measure of perceived retaliation against
11 Davis-Besse workers reported to us by the Nuclear
12 Regulatory Commission. It's one of the measures that we
13 use to actually look at the effectiveness of our Safety
14 Conscious Work Environment Review Team.

15 We began an improving trend in this area starting a
16 year ago. In the first quarter of 2004 results identified
17 zero retaliation allegations reported by the NRC in this
18 area. So, again, we're seeing positive results and we want
19 to keep that at zero.

20 One of our performance indicators that identifies an
21 area for improvement is called the NRC Allegation Ratio.
22 This performance indicator tracks the overall number of
23 allegations compared to the industry average.

24 We had good performance in the fourth quarter of
25 2003 with only one reported allegation which was actually

1 below the industry average; however, in the first quarter
2 of 2004, we had eight reported allegations.

3 The good news behind this though is that we were
4 able to substantiate that seven of the eight allegations
5 were from noncompany sources. So, although, they were way
6 more than we want, they were not, they were from outside
7 the company.

8 So, in conclusion, based on looking at our Safety
9 Culture attributes and those performance indicators, we
10 believe we are showing a continued healthy and steadily
11 improving Safety Culture and Safety Conscious Work
12 Environment at Davis-Besse.

13 One thing I would like to mention right now at this
14 point too, that next week we will have a follow-up
15 assessment performed on the effectiveness of the Corrective
16 Actions taken from the, following the November 2003 Safety
17 Conscious Work Environment Survey.

18 We have identified that to Geoff Wright. He is
19 aware of that assessment that's going on. It will be the
20 same team that performed that assessment in December.

21 Okay.

22 MR. GROBE: I'm full of
23 questions today.

24 MR. PRICE: Okay.

25 MR. GROBE: Just an

1 observation actually. I'm glad to see that you're not
2 trending the number of cases that go to the Employee
3 Concerns Program as an indicator of something good or
4 something bad, because you had an Ombudsman Program that
5 was viewed as being effective because it wasn't being used,
6 because it wasn't generating cases, when in fact you had a
7 Safety Conscious Work Environment problem.

8 And, you do have an Employee Concerns Program,
9 Safety Conscious Work Environment Survey scheduled for
10 later this year. So, that would give you that indicator.
11 So, I just think that's a positive, but the way in which
12 you're looking at the effectiveness of the Employee
13 Concerns Program I think is good.

14 MR. PRICE: Okay, good. Thank
15 you.

16 Moving on to the last item I would like to discuss
17 today is our progress we're making on meeting the
18 requirement of the Confirmatory Order required of
19 independent assessments.

20 MR. GROBE: I'm sorry, I had
21 one more question.

22 MR. PRICE: Okay.

23 MR. GROBE: In the first
24 quarter of this year, there was change in the SCWERT. I
25 love that acronym; Safety Conscious Work Environment Review

1 Team Nonconcurrency Ratio; and it's interesting from a
2 number of aspects. First off, the SCWERT had a lot more
3 work in the first quarter of this year, because it's your
4 performance appraisal time frame; annual performance
5 appraisal time frame. But it's also interesting that there
6 was a significant increase in the percentage of issues that
7 came before the Safety Conscious Work Environment Review
8 Team that were not accepted by them.

9 Do you have any insights as to what's going on
10 there?

11 MR. PRICE: I'll speak to
12 that, and Mark, if he wants to elaborate on it.

13 During the, as you identified, we took the
14 performance appraisals for the first, or for 2003 through
15 the Safety Conscious Work Environment Review Team, if they
16 were not meeting expectations. The Safety Conscious Work
17 Environment Review Team looked at those, and the purpose of
18 that was to ensure that those performance appraisals were
19 substantiated and could be supported by the supervisors who
20 were making those assessments.

21 Through that process, there were a number that
22 didn't meet the scrutiny of that review and were therefore
23 changed as a result of the review by the Safety Conscious
24 Work Environment Review Team.

25 So, I think it was a good effort and that's why we

1 did have a spike in the first quarter, both in quantity of
2 items going to the team and a higher than normal, I guess,
3 rejection rate.

4 MR. GROBE: Is it indicative
5 of the need for additional training?

6 MR. BEZILLA: Jack, I believe
7 that this was the first time we had taken the annual
8 assessments through the Safety Conscious Work Environment
9 Review Team. So, I would view it more as a baseline, okay,
10 and then adjustment in standards, so talk about training,
11 right. So, the people that brought, the supervisors that
12 brought those performance appraisals through; if they were
13 not successful they had immediately feedback on, hey,
14 here's why we don't believe you can substantiate that
15 rating that you provided to the individual. And, so, I'll
16 say there was immediate feedback.

17 And, we'll monitor that, because we do like a semi,
18 like a six month and then an annual, so I suspect we'll
19 have another opportunity here come probably in July, August
20 time frame, and then again next year, but I would say it's
21 somewhat of a baseline, and we'll see how we do the next
22 time.

23 MR. GROBE: The one aspect of
24 this that's not reviewed through the PI, Performance
25 Indicator, is whether or not the Safety Conscious Work

1 Environment Review Team concluded that the performance
2 action that you were taking was influenced by Safety
3 Conscious Work Environment concerns.

4 I think what I heard you say, Clark, was the team
5 concluded that these weren't well supported. Did they
6 conclude also in any of these that, in fact, they believed
7 that the performance rating was influenced by an individual
8 bringing forward safety concerns?

9 MR. PRICE: I don't have the
10 answer.

11 MR. ALLEN: Jack, I can try to
12 answer that. I sat in on at least some of the Safety
13 Conscious Work Environment Review Team discussions on that
14 panel.

15 I don't believe we saw any instances of that, but a
16 big part of the discussion in every case is, okay, what is
17 the influence on the entire organization or that group from
18 a Safety Conscious Work Environment perspective and what
19 would be the impact and influence there? Is that
20 consistent with the way we treated, looking at a similar
21 example in a sister organization.

22 So, the purpose of the SCWERT panel is really to
23 look at it from a Safety Conscious Work Environment review
24 perspective, but at the same time, it was to look at the,
25 here's the evidence presented. All right?

1 So, whether it would substantiate it or not
2 substantiate it was not the focus of the Review Team. No,
3 the focus of the Review Team was to ensure we did maintain
4 a Safety Conscious Work Environment, but you do that
5 through looking at the evidence, and also examining the
6 situation to make sure it's not being driven from a
7 retaliation perspective and you are in fact consistent with
8 the way other personnel are being rated by their
9 supervisors.

10 So, the support or not supported is a part of it,
11 but that's really not the focus of the Review Team, that
12 just happens to be part of the information that the
13 supervisor presents as they're making their performance
14 case. Assuming it passes that hurdle, if it passes that
15 hurdle, then the Review Team's challenge is to ensure there
16 is nothing adverse from a Safety Conscious Work Environment
17 perspective.

18 If it doesn't clear the first hurdle, you just don't
19 get to the second part of that equation.

20 MR. GROBE: Okay. I think
21 we're going to have to look at this a little more. Geoff
22 Wright, as Dave mentioned earlier, we've ~~signed~~ assigned very senior
23 inspectors to each of the four areas that we're continuing
24 to monitor closely; Operations, Engineering, Safety Culture
25 and Corrective Actions. Geoff Wright is the Safety Culture lead and he

1 also led each of the inspections through the outage.

2 I'll be chatting with Geoff about this and I think
3 we'll look into the function of the Safety Conscious Work
4 Environment Review Team a little more closely. Okay.
5 Thanks.

6 MR. MENDIOLA: I'm sorry, if I
7 could interject a stray thought here. Something, Barry,
8 you said a little bit ago, has got me thinking about the,
9 the way management currently communicates with the staff.
10 You mentioned of course that you recall that you have your
11 4-C Meetings, and your Town Hall Meetings and so forth.

12 MR. ALLEN: Yes.

13 MR. MENDIOLA: At the very onset
14 when the current management came in and began to imprint
15 its management style with the staff, you, one of the things
16 that you did and had a lot of success on, is start these
17 meetings up and begin this open communication between
18 yourself and the staff at the plant. And a lot of success
19 has come from that.

20 But what I thought I hear now is that a lot of that
21 meetings -- of those meetings seem to take, have a lot of
22 their time taken up with gathering information and data,
23 which goes into these performance indicators or supports
24 these performance attributes in one form or another, to
25 such a degree where they probably become rather routine and

1 don't really lend themselves to maybe the frank and open
2 communications that you had previously with your staff upon
3 the onset of the 4-C meetings and the Town Hall Meetings.

4 And I'm just curious to know if, has there been, or
5 is there a slow creeping away from frank and open
6 communication with the staff, because of the other things
7 that you're collecting now to support the various documents
8 and programs that you have ongoing?

9 MR. ALLEN: Tony, I believe
10 what we're really talking about is multiple channels of
11 communication in multiple forms, which I believe encourages
12 good discussion.

13 An example popped into my mind when you said things
14 becoming routine. We did, we probably done as many Safety
15 Culture self-assessments as probably anyone you could
16 find. When we did our first monthly one, for instance,
17 with the staff, that was like four, four to five hours of
18 just good open, frank discussion.

19 So, even looking at the next monthly one, we're
20 looking at scheduling that perhaps earlier in the day, just
21 to ensure that we have plenty of time to do that. So, I'm
22 not seeing any diminishment of good communications on
23 issues.

24 You know, I would just guess if you looked at that,
25 at the end of this presentation, you might think that might

1 have been like an hour discussion with the management team,
2 but it's just not so. These things involve a lot of
3 discussion, good open, frank stuff.

4 Now, other forms, like 4-C's Meetings, that's just
5 an example, an opportunity to get folks at the grass roots
6 level from all different parts of the site organization and
7 bring them all together to see what common issues are that
8 they want to roll up and get some feedback from the Vice
9 President or the Senior Leadership on.

10 The top meeting, again, it's folks who really want
11 to champion ownership and pride at the station. So,
12 they're looking at what they can do to help us change our
13 behaviors to be more successful and ensure that they've got
14 a good link to the management team to understand where
15 we're headed, so they can help us be successful.

16 So, there is just a lot of different avenues. I
17 think they all serve a function in terms of communication
18 and alignment, but a lot of different forms and sometimes
19 different personnel involved, but ultimately all reaching
20 towards the same aim of aligning us as a station and
21 ensuring we move forward.

22 MR. BEZILLA: Tony, to your comment,
23 4-C's, as an example. This week, we have a 4-C's Meeting,
24 we did a supervisor briefing and we did a Town Hall
25 Meeting. And, three out of four. So, that was this week,

1 okay.

2 So, from that aspect, those things we're continuing
3 to do to make sure that we have those forums. I know what
4 it was -- union stewards. I met with all the union
5 stewards this week. Those are the type of things we do, so
6 they have multiple forums, and plus I'm pretty much
7 available any time in case anybody has an issue.

8 So, we're continuing those things that we had done,
9 and there is some more things that we're adding.

10 MR. MENDIOLA: So, in your mind,
11 there are still frank and open communications, and these
12 are robust ways for the staff to communicate with
13 management?

14 MR. BEZILLA: Yesterday it was
15 pretty frank and open with the union stewards.

16 MR. MENDIOLA: Okay, thank you.

17 MR. ALLEN: Thank you.

18 MR. PRICE: Okay?

19 As I mentioned before, the next section is to
20 discuss the Confirmatory Order Independent Assessments.
21 This first slide addresses the four assessments and our
22 targeted months for the 2004 assessments for those.

23 The next slide talks specifically about our
24 Operations Performance Assessment. This is the first of
25 the four, first one that we'll be doing. This assessment

1 will occur the week of August 16th. We have completed the
2 assessment plan and should be transmitting that plan to the
3 NRC within the next couple of days, which is to meet the 90
4 day requirement of the Confirmatory Order.

5 The scope of the plan will include areas in the
6 Conduct of Operations, Shift Management Oversight,
7 Operations Behaviors, and Procedure Use to name a few.
8 The assessment will use both observations and interviews
9 and also reviews of various documents that will be provided
10 to the assessment team prior to the onsite assessment
11 week.

12 We expect the assessment to last one week with a
13 potential of a couple days in the following week for
14 development of a good draft report of the assessment prior
15 to the team leaving the site. With that report, with the
16 final report, we will also include action plans that were
17 required by the order, so we want to make sure that we have
18 all the issues identified prior to the team leaving the
19 site.

20 The assessment team we have selected will consist of
21 two consultants who are both past NRC license examiners,
22 and an Operations Manager from one of our sister B&W plants,
23 and Station Director from a New England plant. These
24 individuals with their qualifications will be included in
25 the assessment plan delivered to you in the next couple of

1 days.

2 Then, finally, we'll be submitting our assessment
3 report sometime around the 8th of October. I believe this
4 is a date that we've targeted for that report.

5 With this, we feel we have put together a good team
6 for this first inspection, and a good plan that will be
7 acceptable to the NRC and will meet the, our desired
8 objectives of having a high quality independent
9 assessment.

10 I would like to turn it back over to Mark.

11 MR. PASSEHL: Why don't we take
12 a five minute break before we continue.

13 (Off the record.)

14 MR. BEZILLA: Jack, I have a
15 number of assessments I'm going through, and because this
16 is only a three-hour meeting, I've picked out some of the
17 highlights, okay, because we just don't have enough time to
18 go through all the things. So, I try to put some balance
19 in there and I'll go through those.

20 Next slide.

21 The first item I would like to discuss was our Mock
22 Accrediting Item Assessment. This assessment was performed
23 the week of April 11th. The purpose was to determine the
24 status of our training following the extended shutdown.

25 The Assessment Team, which was made up of ten

1 industry peers and a number of our own folks from FENOC.
2 Just to let you know, these are the places we got the
3 industry peers: ~~Fermi~~ Fermi, Susquehanna, Indian Point Three,
4 River Bend, Wolf Creek, D.C. Cook, Byron, and Institute of
5 Nuclear Power Operations representatives.

6 The assessment team identified four strengths and
7 seven areas for improvement. The program areas reviewed
8 included Chemistry, Radiological Protection, Instructional
9 Skills, which is the instructors, Engineering Support,
10 Maintenance, both craft and supervision. So, that was the
11 population.

12 A couple of the noteworthy strengths. They said
13 training was effectively used to support emergent plant
14 needs and efforts to improve the site safety culture. And
15 they also said that trainees -- or trainers, excuse me,
16 trainers, filling the role of performance consultants are
17 instrumental in helping the line improve performance.

18 A few of the noteworthy areas for improvement; many
19 training functions were suspended during the extended
20 shutdown. As a result, key functions and process
21 effectiveness have declined. We know this and are working
22 to rejuvenate our training programs. As an example, we've
23 made sure there is appropriate resources committed to the
24 training function.

25 Another item that they noted, management

1 observations of training during the extended shutdown had
2 declined. We also knew that. We had intentionally shut
3 down, I'll say, most of the conventional training during
4 the extended shutdown. Now that we're restarted, training
5 is being rejuvenated and our management observations of
6 training are a focus area for us. So we'll turn that
7 around.

8 MR. GROBE: Mark, do you have
9 ~~an~~ any performance indicators that track where you are in
10 training? Do you get any kind of reports on that?

11 MR. BEZILLA: Yes, Jack, we have
12 a quarterly picture of training that's in the performance
13 indicator mode, if you will, and those are by objective.
14 And, of course, we color everything. So, we color those,
15 and then we review those, actually review progress on a
16 monthly basis at our Site Training Advisory Council
17 Meeting, which is the top level training council meeting;
18 and then we assess those on a quarterly basis.

19 MR. GROBE: Thank you.

20 MR. BEZILLA: You're welcome.

21 Let me go to the next slide, please.

22 The Company Nuclear Review Board reviews plant
23 activities relating to safe operation of the station. This
24 robust group, which as Barry said, is made up of, I'll say
25 a number of, I'll call them gray beards, but don't tell

1 them I called them that. Some have been Regional
2 Administrators, others have been Plant Managers or Vice
3 Presidents or Chief Operating Officers.

4 This robust group was on site the week of April 11
5 also. They provided critical independent safety focus
6 oversight. Few noteworthy item from their review or their
7 assessment. They said, Davis-Besse has numerous activities
8 to complete. We've got our Cycle 14 Operational
9 Improvement Plan. We've got our 2004 Business Plan
10 Initiatives. And we have the Confirmatory Order items.

11 The key point here is, they said, hey, you have all
12 this stuff. It can't diminish the focus on safe and
13 reliable operation. We know this. We have various
14 controls and tools in place to ensure our focus remains on
15 safe operation of station.

16 As an example, and Barry had mentioned this, we had
17 duty teams, director, managers, supervisors. We have daily
18 meetings, Turnover Meetings, 8:00 Manager Meeting. We also
19 have daily conference calls, 1500 hours and 2100 hours,
20 such that we can, I'll say, stay aligned, make sure the
21 operators are receiving the support they need to ensure
22 safe plant operations.

23 Another item they had mentioned was they said that
24 Davis-Besse must align their resources to the work to
25 ensure safe operations. What we did in that regard was we

1 presented to the board our Engineering Backlog Reduction
2 Plans, which Jim spoke of, and our Maintenance Backlog
3 Reduction Plan, which I believe Barry spoke of.

4 They were supportive of these initiatives, realizing
5 that they'd keep an eye on things and that the proof is in
6 the results of our efforts.

7 Anything else on that, Jack?

8 MR. GROBE: No, that's fine.

9 MR. BEZILLA: Okay, next slide,
10 please.

11 The next assessments are related to the Institute of
12 Nuclear Power Operations' activities at our site. The
13 first item was an auxiliary feedwater assist visit
14 conducted the week of March 29th. This assessment was
15 conducted by an INPO peer and an industry peer and a number
16 of FENOC personnel.

17 There were a few recommendations generated as a
18 result of this effort. A couple of the noteworthy items.
19 They said, hey, you need to assign and expedite the
20 development of a full time Aux. Feedwater System Engineer.
21 This action is currently in progress, and the selected
22 individual is in the process of qualifying as the Aux.
23 Feedwater System Engineer.

24 They also had noted, they said that we need to
25 evaluate and implement preventative maintenance activities

1 for electrical components in the Aux. Feedwater System.

2 During the extended shutdown, we had performed
3 extensive environmental qualification modifications and
4 upgrades. We now need to establish the appropriate
5 preventative maintenance tasks to ensure continued
6 reliability looking to the future. So, that was their
7 feedback.

8 The second INPO assessment was a full evaluation and
9 assessment. This evaluation and assessment started back in
10 the fourth quarter. They had some INPO and some peer
11 individuals working with INPO, watching Operations during
12 that time period.

13 It culminated in a two-week assessment running from
14 April 26th to May 7th. This assessment team which was
15 around 20 individuals was a robust body of industry and
16 INPO peers. I believe they were thorough and complete in
17 their review of our performance and our plans. And they
18 provided valuable dialogue and insights. Most important,
19 they validated that our Business Plan and our Cycle 14
20 Operational Improvement Plan are properly focused. So, it
21 was a good validation of the things we had and the actions
22 we have planned.

23 A few noteworthy items. First, I'll start with a
24 couple positives and potential strengths. Our Foreign
25 Material Exclusion Program has achieved a high level of

1 ownership at the maintenance worker level. We felt very
2 good about that. I'll say I think that shows the right
3 safety focus from our employees and the understanding of
4 how foreign material could affect the equipment and/or
5 affect safe operations.

6 Another item that they noted was, during the
7 extended shutdown, the Davis-Besse team addressed several
8 emerging industry technical issues by implementation of the
9 FLUS, undervessel humidity detection tool, and enhancing
10 the capability of the containment emergency sump. And,
11 again, this shows good safety focus by the Davis-Besse
12 team. So, those were a couple positives.

13 A few noteworthy areas for improvement. They said
14 we needed to improve our operational focus; continue to
15 work off backlogs and focus on human performance. I think
16 you've heard Barry talk about both of those.

17 This area, operational focus, is and will continue
18 to be a high priority for the site. This includes our
19 daily efforts to ensure each and every task is completed in
20 a safe and eventless manner and our focus on the Corrective
21 Action Program and its health and our maintenance backlogs
22 and to working those down.

23 Another item they pointed out, is they said, the
24 team is not fully engaged and effective in implementing the
25 work management process. This also is another high

1 priority, a focus for us. We just recently implemented the
2 online work management process in the December time frame.
3 And we really only had probably the last four to three
4 weeks where we've gotten through the startup and I'll say
5 the emergent issues that you would anticipate or expect
6 from an extended shutdown.

7 We'll stay engaged in the work management process,
8 and we'll be monitoring and adjusting our behaviors as
9 needed to ensure that we continue to improve in the
10 execution of our work management process.

11 That's all I was going to talk about there, Jack.

12 Anything else there?

13 MR. GROBE: Just -- no, I'm
14 sorry, go ahead.

15 MR. BEZILLA: Okay. Next
16 slide.

17 This slide just depicts some additional assessments
18 that we performed in 2004. At previous meetings we talked
19 about a few of these. There are two that I would like to
20 briefly mention.

21 First, is the Shift Manager Peer Verifiers. This
22 group of individuals, which at various times consisted of
23 external to FENOC Senior Reactor Operators from other
24 sites, FENOC other than Davis-Besse Senior Reactor
25 Operators, and Davis-Besse Ex-Senior Reactor Operators, has

1 helped improve the ownership and accountability of the
2 current Senior Reactor Operators and Reactor Operators.

3 These individuals, the Shift Manager Peer Verifiers,
4 provided continuous coverage, 24 hours a day, 7 days a
5 week, since the third quarter of 2003. Based on current
6 crew performance and feedback from the Shift Manager Peer
7 Verifiers, we're phasing out this effort.

8 They served a useful function. They helped us get
9 our current Senior Reactor Operators and Reactor Operators
10 to a level where Lew, Barry, Kevin Ostrowski, our Ops
11 Manager, and myself are confident in their, that is the
12 current Senior Reactor Operators and Reactor Operators,
13 we're confident in their abilities to rigorously and
14 completely execute their duties.

15 Second, I would like to talk about briefly our
16 Management Observation Program. This program is helping us
17 correct behaviors on a day-by-day basis because it puts
18 supervision, management in the field, watching activities
19 and providing either a positive reinforcement or corrective
20 reinforcement, if we see a behavior that's not as we
21 desire. It also provides us with insights into where we
22 may need to apply additional management attention.

23 And I just wanted to point this out, because I view
24 this as a continuous use tool that will help us over time
25 to improve our overall performance.

1 Any questions on that stuff?

2 MR. GROBE: No questions.

3 I'm very glad to see that you have an aggressive
4 self-assessment program. I think your indicators have in
5 the past not been so good in this area because you weren't
6 as confident that you had a good program in place that was
7 going to be lasting.

8 I want to make sure that the purpose of the
9 independent assessments that were part of the order is well
10 understood. That's not expected to replace any
11 self-assessment; that's expected to validate the efficacy
12 of your self-assessments.

13 So, that's why I asked the question earlier,
14 privately, about the Safety Culture Assessment, whether
15 that was going to be performed in '04. I wanted to make
16 sure you weren't thinking that the independent assessment
17 would be replacing any internal self-assessment; those are
18 supposed to be validations of your internal assessment.
19 That, in fact, we're getting good insight from your
20 self-assessment; you're getting good insight from your
21 self-assessment.

22 MR. BEZILLA: We're not quite there
23 yet, Jack, but we're trying to align our self-assessments
24 prior to the independent assessments, and then we thought
25 that would be a good chance for us to check to see if we

1 have alignment; and if we're seeing and finding the same
2 issues that the independent teams will find.

3 And, as I say, we're in the process of trying to
4 align ourselves to be able to take advantage of those
5 independent assessments.

6 MR. GROBE: Okay.

7 MR. BEZILLA: Okay. Next
8 slide.

9 During the week ending May the 9th, there was a typo
10 on this. I'll say during the week ending on May the 9th,
11 we hosted a Fire Protection Program Pilot Assessment. This
12 was a Nuclear Energy Institute, NEI sponsored assessment
13 using draft NEI guidance, NEI 04-06.

14 That provides guidance on how Licensees can conduct
15 self-assessments in preparing for the resumption of NRC
16 inspection activities for associated electrical circuits,
17 using risk informed criteria from Regulatory Issue Summary
18 2004-03.

19 This self-assessment was hosted by Davis-Besse. And
20 it was supported by eight industry safe shutdown and PRA
21 experts. And, again, we had some other companies
22 represented. We had Exelon, Duke, PSEG, TVA, and then
23 ourselves and NEI. Additionally, there were two NRC staff
24 members that observed this assessment.

25 The goals of this assessment were to determine the

1 extent to which the Davis-Besse circuit analysis addressed
2 the new risk informed inspection criteria, and any
3 improvements needed in NEI 04-06 as a plant self-assessment
4 tool.

5 The conclusions were that from an industry
6 standpoint, this self-assessment was very useful. It
7 substantiated the methodology in NEI 04-06. Identified
8 improvements to the process and identified areas for
9 discussion and resolution.

10 I believe improvements will be incorporated after
11 additional dialogue occurs between the NRC and the NEI.

12 MR. GROBE: Were there any
13 particularly noteworthy technical issues identified at
14 Davis-Besse during this assessment?

15 MR. BEZILLA: Jack, we looked at
16 a number of circuit or a number of areas for these circuit
17 faults. There were a couple areas that we needed to do
18 additional follow-up on. We've entered those into our
19 Corrective Action Program and we'll pursue those in
20 accordance with our process.

21 But there was nothing, nothing that was like an
22 immediate impact plant operation or operability of
23 equipment or anything like that.

24 MR. GROBE: Okay, thank you.

25 MR. BEZILLA: Next slide,

1 please.

2 This is the last assessment that I'm going to talk
3 about, and it's our first monthly Safety Culture Monitoring
4 Assessment, and Barry had mentioned that earlier.

5 Taking a minute to look at the slide. The colors or
6 as we portrayed the attributes and commitment areas in
7 November of 2003, all right, it will take a full assessment
8 to be able to change colors.

9 This first monthly assessment we said, have we
10 maintained, have we declined, or have we improved. So, we
11 showed that with an arrow concept. As you can see, we
12 believe that we have seen sustained or improving
13 perceptions in performance in regard to all the attributes
14 and commitment areas.

15 We'll continue to assess our Safety Culture. And
16 then in November of this year, we'll be doing another full
17 assessment.

18 MR. MENDIOLA: Just real quick,
19 Mark. You said this is a monthly assessment, so it
20 considers the month of April?

21 MR. BEZILLA: This was for,
22 well, we do it on a monthly basis, but it's hard not to do
23 it and take into consideration up until the day you do it.
24 Okay?

25 MR. MENDIOLA: I understand.

1 MR. BEZILLA: From a fleet
2 perspective, we set it up quarterly. We are going to
3 attempt to do it on a monthly basis, but I think what's
4 going to happen, it's going to be similar to the one
5 performance indicator Jack talked about, where it could be
6 going like this or like this, based on what may be
7 occurring at the site.

8 And, we had done the November assessment. And then
9 when we got restarted, we did the first monthly, using this
10 short version, if you will. We felt pretty good, because
11 we had like a quarter plus in there. We're going to do it
12 I think this next week.

13 MR. PRICE: Tuesday.

14 MR. BEZILLA: I'm not sure how
15 that's going to work. We'll see how that goes and may have
16 additional dialogue with you on that.

17 MR. MENDIOLA: These arrows are
18 measurements or comparison to what, last month or last
19 quarter?

20 MR. BEZILLA: In this case, it
21 was looking from the November assessment through --

22 MR. MENDIOLA: Today?

23 MR. BEZILLA: Through when we
24 did it, which was, I'll give you the exact date, through
25 April 20th. Okay? And, so, that's a reflection of how we

1 had perceived things from November through mid April.

2 Okay?

3 MR. MENDIOLA: Thank you.

4 MR. BEZILLA: You're welcome.

5 Okay. With that, that concludes my presentation,

6 and I would like to turn it over to Steve Loehlein.

7 MR. LOEHLEIN: Thank you, Mark.

8 Jack, I think your folks are well aware of our

9 Continuous Assessment Process, but I'll just review

10 briefly.

11 That we report out to the organization on a

12 quarterly basis. That allows us to provide ratings on a

13 quarterly basis. Take a snapshot, report out on the

14 organization how they're doing in a number of areas. And

15 then it allows us to adjust our focus for upcoming

16 quarters.

17 So, what I thought I would do today is give you sort

18 of the highlights from our most recent quarterly report,

19 and go into how that's adjusting what we're looking at here

20 in the near future.

21 Next slide, please.

22 For the quarter, we looked at a total of 16, what we

23 call, primarily elements and the scores in those areas. We

24 had one good area. Good is like green. You can think of

25 it that way. Eight were rated as satisfactory; seven

1 marginal; and for the quarter, there were no unacceptable
2 ratings.

3 Some of the key areas of improving trends, positive
4 trends that we've seen are listed on this first slide.
5 Particularly of note, improvements in the Operations
6 support area. This is an area we've been watching closely,
7 because in the past, the organization at times was slow to
8 respond to an emergent issue. So, we've been watching for
9 the Problem-Solving Decision-Making Teams; how they form
10 up, how quickly the organization responds to an emergent
11 issue. There has been good team response in this last
12 quarter in that area.

13 The sensitivity to Reactor Coolant System leakage.
14 This was a case where the unidentified leakage now in the
15 plant is very, very low. Most of the time measures zero
16 and bounces around zero.

17 So, recently the plant measured a very slight leak
18 rate, .05 gallons per minute is what was starting to
19 appear. Operations responded to that and led a team to
20 look for where this leakage might be coming from; found it
21 was coming from the sampling system and was able to isolate
22 it. And, as a result, plant identified leakage is again
23 zero. So, we thought that was a kind of team response we
24 wanted to see.

25 You've heard already from Mark and others about

1 improvements in their planning in the training area, and

2 Condition Reports.

3 Next slide, please.

4 MR. GROBE: Steve, before you
5 go on, I just wanted to comment. Your observations of the
6 Operations organization response to Reactor Coolant System
7 leakage is extraordinary. And it's just a reflection of
8 how painful the lesson was.

9 The challenge is to learn the same level of
10 sensitivity from all other Operating experience inputs,
11 and not to forget those.

12 I recently had a conversation with a, a wise, sage,
13 nuclear professional, who shared that we have over a
14 thousand operating years of experience now. And probably
15 everything that's going to happen has already happened.

16 The challenge is to make sure that we learn from
17 each one of those. They haven't resulted in accidents
18 because of the redundancy and diversity and operator
19 performance and things of that nature. But probably
20 everything that's going to happen has already happened.

21 So, it's just absolutely critical that both in your
22 organization as well as the Nuclear Regulatory Commission,
23 that we continuously reflect on the operating experience
24 and make sure those lessons have been learned in a lasting
25 way, as I'm sure that you've learned the Reactor Coolant

1 System leakage lessons.

2 MR. LOEHLEIN: Thanks, Jack.

3 That's actually going to be a lead-in into something I'm

4 going to be talking about in a few minutes here.

5 Next slide.

6 These are the areas from the core that were a

7 continued area of focus for us. One is in the area of

8 procedure use, adherence, and content. We examined for the

9 quarter the trend data in NQA had been picking up, and

10 concluded that there was a continued adverse trend in this

11 area.

12 What we identified to the organization was that in

13 use, or in-hand procedure use, by and large is pretty

14 good. We only see an occasional misstep there, but the

15 more global, the broader administrative procedure are the

16 ones that the organization still continues to have some

17 problems in application rigor. So, we identified that on a

18 higher level Condition Report, and Barry Allen is the

19 sponsor to follow-up on that. So, that's something just

20 recently identified to them.

21 We've been continuing to follow engineering rigor.

22 And as you know, Jack, that is an item in the Operational

23 Improvement Plan that we'll be doing throughout the cycle.

24 And, this particular quarter, we identified an engineering

25 rigor issue in reactor engineering. Here's a case where

1 the organization is well experienced, well seasoned, and
2 some of their processes are overly reliant in our
3 assessment on that experience and those people's ability to
4 do their job and the processes themselves need improved
5 rigor built into them.

6 These have to do with the calculation review and
7 approval process with how they absorb external work, like
8 from the contractor who provides various analyses to them;
9 how they do the owner acceptance process. It's those type
10 of things that we identified needed improvements in.

11 On the trending area, the performance improvement
12 group is getting better and better at producing quality
13 reports for the line organization to use. They do a good
14 binning of what are the cause codes and so forth for the
15 different departments, but we are still focused on having
16 the departments themselves taking that binning data and
17 further mine it and refine the trend analysis to look for
18 where in their particular areas are their greatest
19 potential areas of vulnerability and therefore areas of
20 improvement.

21 So, that's an area of continued focus for us, we are
22 following, that they improve on.

23 MR. GROBE: Mark, I have a
24 question in this area. Trending analysis is very difficult
25 to do; and, because it's very difficult to properly

1 interpret from a statistical basis what issues mean, but
2 it's also a very powerful tool.

3 Is the department level concerned that the trending
4 data isn't useful the way it's presented, or they don't see
5 significant value from doing further evaluation or just not
6 a matter of having time to focus in the area?

7 MR. BEZILLA: Jack, there is probably
8 a little of all of that in there, but as Steve said, the
9 product from our Performance Improvement Group is getting
10 pretty good, right from a binning, sorting, getting the
11 piles correct. All right.

12 The next focus for us now is on the managers of the
13 various departments, taking that information and saying
14 okay, take a deeper look, and what's it really telling me.
15 Numbers will tell you some things, but then you've got to
16 go look and, I'll say, slice and dice it a little deeper,
17 and that's where our focus is now, getting the managers to
18 assess that data.

19 I think there was hesitancy earlier because the
20 product wasn't that good. And now that the product has
21 gotten better, I believe they'll grab a hold of that and
22 see what else they can glean from that information.

23 MR. GROBE: The best trending
24 analysis doesn't come from this organization. I remember,
25 Jim, I can't remember the individual's name, but it was the

1 Engineering Administrative Support Unit, where he was just
2 seeing, or she, I don't recall, was just seeing too many
3 administrative problems with engineering packages and said,
4 that's enough, let's do a significant condition adverse to
5 quality review or whatever it is, whatever you call it.

6 MR. POWERS: Collective
7 significance.

8 MR. GROBE: Collective
9 significance review. That's the focus. I'm wondering if
10 there is a lack of that kind of focus at the supervisor and
11 manager level or across the board? Is that something that
12 needs to be tuned up, as they would say on Hill Street
13 Blues?

14 MR. BEZILLA: Yes.

15 MR. GROBE: Okay.

16 MR. PASSEHL: I have a
17 question. Steve, in the areas of elements that you found
18 marginal, I assume some of these, you mention, in
19 continuing focus areas?

20 MR. LOEHLEIN: Right.

21 MR. PASSEHL: How do you plan on
22 following up in the future with assessing, you know, what
23 improvements the line has made?

24 MR. LOEHLEIN: What we do, some
25 of the things are cross-functional, like Corrective Action

1 Program, which means all the functional areas use it all
2 the time. So, we get assessment data on it every quarter
3 and it's good data we can compare.

4 The engineering rigor is a similar one. There is
5 things going on every quarter that allows us to keep tabs
6 on it. So, typically, that's not a problem.

7 Now, if we have an area like, that's more defined,
8 and their effort may be more periodic, then what we'll do
9 is occasionally go in and look at what's being done in
10 response to the Condition Reports that were written on it.
11 We'll follow it that way. Then, when it comes
12 implementation time for those changes, say it's something
13 that may only appear next outage; well, then, at the outage
14 period is when we would take a look at and see if it was
15 effective in response to the issue we identified.

16 So, it kind of depends. Some things lend themselves
17 to nearly immediate continued assessment; others we have to
18 wait for the opportunity to see if the response was
19 effective.

20 MR. PASSEHL: Thank you.

21 MR. BEZILLA: Steve, before you
22 continue, Jack -- or Clark triggered another thought for
23 me.

24 From an assessment standpoint, we put into place
25 from a FENOC perspective a collective assessment to be done

1 on a semi-annual basis. The first one of those is due this
2 month; and that's where the departments pull in all the
3 stuff and sort it and bin it and slice it and say, "Okay,
4 what's this telling me? Is there something I'm not focused
5 on that I need to be focused on?"

6 So, that will be another opportunity for us to
7 practice and use those skills and see if there is something
8 else out there, but that's a new tool and our first
9 opportunity will be this month to use that.

10 MR. GROBE: I was just going
11 to say that highly experienced and seasoned Dave Passehl is
12 our lead in the Corrective Action area, and he may want to
13 be out at that meeting. So, make sure he knows when that's
14 going to happen.

15 MR. PRICE: Okay.

16 MR. LOEHLEIN: Next slide,
17 please.

18 Now, kind of the springboard then from this last
19 quarterly report, this is part of the adjustment on what
20 now is in the near term that we're going to focus on.

21 The first bullet in Management/Human Performance
22 speaks to most of the interaction that I had with the
23 Senior Leadership Team. And, really, the two main areas
24 that I've been discussing with them lately is two
25 concepts. One, Jack, you touched on just a few minutes ago

1 when you talked about the Reactor Coolant System leakage
2 and the sensitivity there.

3 What I've been talking to them about is what we can
4 do to better have our organization learn how to recognize
5 issues at the precursor level. And that's where trending
6 comes in and some of these other concepts are. If you can
7 mine the data and find things absent an event, you're way
8 better off.

9 And OE falls, operating experience falls into that
10 same kind of lesson you learn from somebody else, event or
11 higher level issue that occurred; you examine yourself and
12 take care of it before it ever ~~effects~~ affects you.

13 So, it's something that we're developing with the
14 SLT (Senior Leadership Team) or I am in terms of discussion, like, what do we do at
15 8:00 daily meetings to encourage this type of discussion
16 among the management teams so we're mining these issues and
17 ensuring that we get every opportunity to address things at
18 a precursor level.

19 So, that's one main topic in terms of
20 Management/Human Performance that we've been spending time
21 on.

22 The other is this concept that I've got on the sub
23 bullet up there, in terms of behaviors and wanting to have
24 plant folks continue to improve day after day, month after
25 month and year after year in terms of performance, all

1 based on a system of what is the perception of what is
2 viewed as proper behaviors and proper performance, and
3 where is the reward system or recognition system for that
4 and how does management recognize that.

5 And then on the other side is, what if the opposite
6 occurs? What if performance is not proper and the outcomes
7 are not appropriate? Then what is the perception of how
8 management deals with those, because they influence long
9 term behavior. And that's another main topical area that
10 we're discussing now on how to do that; be consistent as a
11 management team in conveying how the Senior Leadership Team
12 conveys those messages to the rest of the organization, so
13 that alignment on what good is and how it's achieved is
14 built on for the future.

15 They're kind of higher level concepts, but they're
16 the kinds of things, as things come up, the Senior
17 Leadership Team has to ask itself, are we supporting the
18 right and the positive behaviors in the way we respond to
19 those, or could we give the office a perception.

20 So, it's a little high level, but it's the kind of
21 thing I think in the long term we'll see that the company
22 can achieve its vision for operational excellence over the
23 long haul.

24 The other couple of focus areas for us, particularly
25 for my assessors are being, we're going to be following a

1 lot of activities in terms of training improvements that
2 Mark and others mentioned earlier, because that is key to
3 the long term success of the station.

4 And in the Work Management area; up until recently
5 here, the plant was trying to restart in a normal
6 twelve-week scheduling process. It doesn't lend itself
7 well to that sort of thing. Now that the plant is running,
8 this schedule fidelity and the need to try to do that, to
9 work with that, that becomes important from a safety
10 perspective, because if you can't plan work and get it done
11 as expect, you can end up having safety systems out longer
12 than they should be; or if you get into trouble with your
13 PMs, you can end up having reliability issues.

14 So, that's why we consider this Work Management item
15 an area of focus for the near term, because it's an area of
16 performance improvement will benefit plant safety and
17 reliability.

18 I guess I might touch for a minute just on the
19 preventative maintenance things, since there was a
20 discussion on it earlier.

21 Some of the problems that were encountered recently
22 with preventative maintenance tasks going overdue had to do
23 with the fact that late in the work period that became
24 resource issues or other impediments to getting the
25 preventative maintenance task done; and, therefore, it went

1 overdue. And it went overdue in such a way that it
2 happened so late term that the organization really didn't
3 know where it was on the component.

4 That's now been corrected, but that's the kind of
5 thing you avoid entirely if you're working your plan more
6 rigorously and more successfully. So, it's an area we'll
7 continue to monitor now that the plant is working that
8 process on a regular basis.

9 MR. GROBE: I don't want to
10 disappoint you and not have a question or two.

11 MR. LOEHLEIN: Okay.

12 MR. GROBE: The first
13 question, I'm not sure has an answer. But it has to do
14 with your sub bullet, "Rewarding positive performance
15 behaviors and consequences for negative performance
16 behaviors."

17 Another issue, and this is something that the SCWERT
18 (Safety Conscious Work Environment Review Team) needs to think about also,
19 and that is how to deal with self-reporting of negative performance problems. And
20 that's when an individual brings forward that they made a
21 mistake. And that's a very difficult issue to deal with.
22 It probably warrants, if you're going to be thinking about
23 those two, that third one probably warrants some thought.

24 The other question, Steve, I think has an answer.
25 One of the issues that was a contributor to long term

1 shutdown was the lack of meaningful insights from
2 independent assessment, whether it's the Off-Site Review
3 Committee, (Company Nuclear Review Board), or Quality
4 Assurance. And one of the Corrective Actions for that was
5 to completely, to put in organizational barriers between
6 the quality organization and site management.

7 This is all one cohesive set of slides, but I was
8 just curious what management, site management review of
9 your slides occurred?

10 MR. LOEHLEIN: Oh, you mean in
11 preparation for the meeting?

12 MR. GROBE: Yes.

13 MR. LOEHLEIN: I would say, it's
14 interesting, we do dry runs that include the slides I'm
15 going to present. There is very little that gets adjusted
16 in my slides; occasional grammatical error and that sort of
17 thing, but we are truly independent of on what we're able to
18 put in these presentations.

19 MR. GROBE: I was fairly
20 confident that was the answer, but I just wanted to make
21 sure. I mean, you're sitting there among the boys, and
22 slides are numbered sequentially and I just wanted to make
23 sure that was the case.

24 MR. LOEHLEIN: As a matter of
25 fact, I tell you, Jack, I send my slides in and Kevin

1 incorporates them. So, that's how independent I am on
2 these.

3 MR. GROBE: Okay. Good, thank
4 you.

5 MR. BEZILLA: We don't know
6 until the final dry run, Jack, what he's going to say; and
7 even then, he's pretty evasive, so.

8 MR. LOEHLEIN: I tell them I'll
9 adjust my whole tenor based on how you guys report things.

10 MR. LOEHLEIN: I'm done, if you
11 folks are done.

12 MR. GROBE: Are there
13 questions?

14 MR. BEZILLA: Okay. Jack, I
15 would like to thank you for the opportunity to discuss our
16 performance and prospectus, and we appreciate you alls
17 questions, challenges and comments. Our vision, as shown
18 on this slide, is to have "People with a strong safety
19 focus delivering top fleet operating performance." and safe
20 and reliable operation is our focus. Thank you very much.

21 MR. GROBE: Okay. Any final
22 questions?

23 MR. PASSEHL: I don't have any.

24 MR. GROBE: I've got, I just
25 have a couple of observations. Jack Rutkowski highlighted

1 the findings of a recent inspection report that was
2 issued. I wanted to talk a bit about that, and maybe a
3 little bit of where we're going forward.

4 The inspection that we performed during the restart
5 of Davis-Besse was, I think, unprecedented both in its
6 intensity and duration. We had over 30 managers and
7 inspectors from across the country that descended, I guess
8 is maybe how it felt, on Davis-Besse. And, by and large,
9 as Jack reported, we saw methodical, disciplined, careful
10 recovery of the plant to an operating status.

11 A couple of problems that made their way into the
12 report. We saw careful consideration of unexpected
13 situations. We also saw continuing problems in a number of
14 areas, not at a level that rose to a violation or safety
15 concern, but what's comforting is that most of those
16 problems are reflected in your performance indicators and
17 reflected in the feedback you're getting from quality
18 assessment and reflected in all of the feedback you're
19 getting from independent assessments, self-assessments.

20 So, you've structured a situation where I think you
21 know what's going on, and you're responding to it in a
22 careful, methodical manner. I don't want to leave the
23 impression that Davis-Besse is a star performer, because as
24 indicated in your presentation today, you still have a
25 number of areas that you're working on, but what's

1 noteworthy is that the performance of the plant is safe,
2 and that you understand areas that you have to improve and
3 that you're working on.

4 So, I spoke with a number of your managers and
5 directors this morning. I understand that you're
6 continuing to refine the performance indicators. I
7 encourage that. Just because they're in this document
8 doesn't mean that they can't be changed. I would strongly
9 encourage you to continue to refine them, and add to them
10 as you see necessary to give you further insights. Just
11 make sure you give us a copy occasionally, as you change
12 things.

13 MR. BEZILLA: I understand.

14 MR. GROBE: Those are the only
15 comments I have right now.

16 Anything else?

17 Okay. Thank you very much.

18 Dave.

19 MR. PASSEHL: Okay. We would
20 like to take a short five minute break and then regroup to
21 hear comments and answer questions from anyone in the
22 audience. Thank you.

23 (Off the record.)

24 MR. PASSEHL: Okay. We're at
25 the point of the meeting now where we would like to take

1 questions or hear comments from members who would like to
2 come forward. If you do want to ask a question or make a
3 comment, please speak in the microphone and state your name
4 clearly, so we can get it in the transcription.

5 MR. GROBE: Maybe we should
6 put a chair there.

7 MR. PASSEHL: If anybody would
8 like to step up to the microphone, we would be ready to
9 answer any questions.

10 MR. GROBE: You're being way
11 too nice to us. No questions or thoughts to share with us
12 or comments to make?

13 Let me just make an observation and maybe I can get
14 some feedback from you.

15 We didn't, we're not conducting an evening meeting
16 tonight. We conducted this meeting later in the afternoon
17 to give people an opportunity to come after work hours, if
18 they wanted to. Do you have any thoughts on whether or not
19 this is sufficient or should we continue conducting an
20 evening meeting?

21 We got no questions last month. And we seem to have
22 no questions today. Just any thoughts on that?

23 Okay, Carl.

24 MR. KOEBEL: Just an idea. I
25 know we had bounced off the idea of possibly having a day

1 meeting this time, the next time have an evening meeting;
 2 see if that does any difference, but personally I don't
 3 think you're going to see any local response at either.

4 MR. GROBE: I think that's
 5 actually an excellent idea, Carl. So, maybe next time
 6 we'll conduct the same meeting, but start at 6 or 6:30,
 7 something like that.

8 MR. PAPCIN: Right, alternate
 9 them.

10 MR. GROBE: That's an
 11 excellent idea, thank you.

12 Any other thoughts?

13 Any thoughts on what day of the week would work
 14 best for a meeting?

15 MR. KOEBEL: Sunday afternoon.

16 MR. GROBE: Sunday, I would
 17 expect to be out on the lake in a fishing boat. No, we
 18 probably won't do Sunday.

19 It's just we're really committed to making sure
 20 we're connecting with the public and giving them access to
 21 what's going on. I appreciate the feedback.

22 MR. KOEBEL: Jack, on the day
 23 of the week, actually Wednesdays or Thursdays would be the
 24 best, for what goes on in the community, those would be the
 25 most open days.

1 MR. GROBE: Okay, we'll try
2 to focus on Thursday. The other thing is -- go ahead, sir.

3 MR. JAMES: Jack, I would
4 discourage Wednesdays, simply because many churches have
5 Wednesday evening services.

6 MR. GROBE: Yeah, we avoid
7 Wednesdays for that exact reason. Wednesday is a very
8 active church night.

9 The other thing is, we're probably going to start
10 extending the time frame between the meetings. I'm
11 probably looking at early July for the next meeting.

12 Any thoughts on that, as far as frequency of the
13 meetings?

14 MR. WITT: That's fine. I
15 think that's plenty.

16 MR. GROBE: While we were
17 chatting, has anybody come up with another thought or
18 comment of any nature that you would like to share with us?

19 Okay. Anything else, Dave?

20 MR. PASSEHL: No.

21 - - -

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1 CERTIFICATE

2 I, Marie B. Fresch, Registered Merit Reporter and
 3 Notary Public in and for the State of Ohio, duly
 4 commissioned and qualified therein, do hereby certify that
 5 the foregoing is a true and correct transcript of the
 6 proceedings as taken by me and that I was present during
 7 all of said proceedings.

8 IN WITNESS WHEREOF, I have hereunto set my hand and
 9 affixed my seal of office at Norwalk, Ohio, on this 21st
 10 day of May, 2004.

11

12

13

14

15 Marie B. Fresch, RMR
 16 NOTARY PUBLIC, STATE OF OHIO
 My Commission Expires 10-10-08.

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